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BEFORE THE ARIZONA CORPORATION CO.

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IN THE MATTER OF THE APPLICATION OF
SULPHUR SPRINGS VALLEY ELECTRIC
COOPERATIVE, INC. FOR A HEARING TO
DETERMINE THE FAIR VALUE OF ITS
PROPERTY FOR RATEMAKING PURPOSES,
TO FIX A JUST AND REASONABLE
RETURN THEREON, TO APPROVE RATES
DESIGNED TO DEVELOP SUCH RETURN
AND FOR RELATED APPROVALS.

DOCKET NO. E-01575A-15-0312

MOTION TO CONSOLIDATE

The Utilities Division ("Staff") of the Arizona Corporation Commission ("Commission") moves to consolidate Sulphur Springs Valley Electric Cooperative, Inc.'s Net Metering Tariff Application (Docket No. E-01575A-15-0127) with its Application for a Rate Increase (Docket No. E-01575A-15-0312). (A separate motion is being filed in each of these dockets.)

On April 14, 2015, Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC" or "Cooperative") filed an application ("Application") seeking approval of a new Net Metering Tariff Schedule NM-2, which is intended to apply to all future net metered members. The new tariff would lower the rate used to calculate credits for any excess energy produced. SSVEC also sought to revise its existing Net Metering Tariff Schedule NM to apply only to members who already have either an installed eligible net metering facility or an accepted Sun Watts Incentive/Interconnection application by the close of business on April 14, 2015, and a partial waiver of the Commission's Net Metering Rules (A.A.C. R14-2-2301 *et seq.*). The Company also asserts in the Application that an increase in the number of customers installing rooftop solar photovoltaic ("PV") systems results in an increasing amount of fixed costs that are ultimately shifted to other customers, and that SSVEC is experiencing "a dramatic and alarming increase" in unrecovered fixed costs and a shift in the recovery of those fixed costs to members who have not installed PV. (Application, page 4, lines 19-26.)

1 On August 31, 2015, the Cooperative filed a general rate case application ("Rate Case
2 Application"). In its Rate Case Application, the Cooperative, using a test year ending December 31,
3 2014, listed a number of factors that have arisen that required SSVEC to file a rate case. The
4 Cooperative maintains that the principal reason for filing its Rate Case Application at this time is to
5 make critical changes to its rate design to enable the Cooperative to better cover the fixed costs
6 associated with providing service to its members. Particularly pertinent to Staff's Motion is the
7 Cooperative's assertion that SSVEC has experienced a dramatic increase in the number of customers
8 installing PV systems, resulting in a large increase in unrecovered fixed costs attributable to the
9 Cooperative's net metered members.

10 It is clear that the Cooperative is intending to address the alleged under-recovery of fixed
11 costs and the alleged cost shifts in both its rate case and its pending net metering tariff filing. Indeed,
12 in its Rate Case Application, the Cooperative states that:

13 While (the Cooperative) is not withdrawing its application in Docket E-01575A-15-
14 0127 at this time, the proposal in this Application supersedes and replaces the
proposal with respect to net metering set forth in Docket E-01575A-15-0127.

15 (Rate Case Application at page 5, lines 6-8).

16 Staff believes that the framework of a rate case better suits addressing the issues raised by the
17 Cooperative in its tariff filing. The Cooperative acknowledges that a complete remedy to the net
18 metering cost shift will likely require changes to the Cooperative's rate design in a future rate case.
19 (SSVEC Reply Brief, page 5, lines 19-21.) All of these issues can be analyzed in the Cooperative's
20 rate case, whereas in the tariff filing, the review will be more limited. Addressing these issues in the
21 rate case will be more efficient since the parties would not have to address them in the tariff filing
22 and then again in the rate case. Staff believes that addressing the issues raised by the Cooperative in
23 a rate case will allow the parties, and ultimately the Commission, to address the issues more
24 holistically.

25 Staff further notes that the SSVEC rate case is one of several large utility rate cases now
26 pending at the Commission. Each of these cases will require Staff resources for analyzing each case,
27 submitting and analyzing responses to data requests, responding to data requests, preparing and filing
28 Staff testimony, etc. These facts support Staff's request to consolidate.

1 Staff therefore requests that the Administrative Law Judge consolidate Docket No. E-
2 01575A-15-0127 with Docket No. E-01575A-15-0312.

3 RESPECTFULLY SUBMITTED this 2nd day of September, 2015.

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9 Original and thirteen (13) copies of
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14 Copy of the foregoing mailed this
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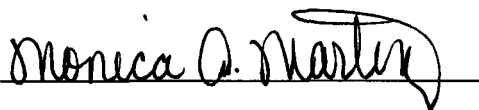
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